

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 228 - HB 360

March 12, 2023

SUMMARY OF BILL: Extends, from 60 days to 12 months, the period that a pregnant woman enrolled in TennCare is qualified for postpartum coverage.

FISCAL IMPACT:

Increase State Expenditures - \$4,757,000/FY23-24 and Subsequent Years

Increase Federal Expenditures - \$9,025,300/FY23-24 and Subsequent Years

The Governor's FY23-24 proposed budget includes \$13,510,648 in state and federal funds for extending postpartum coverage for 12 months.

Assumptions:

- The Division of TennCare is currently operating a pilot program to provide 12 months of postpartum coverage to pregnant members.
- The estimated cost to extend postpartum coverage from 60 days to 12 months is approximately \$13,782,300, based on 3,000 women receiving 10 additional months of postpartum coverage, at a cost of \$459.41 per member per month (3,000 x 10 x \$459.41).
- The proposed legislation would permanently extend postpartum coverage to 12 months and require total recurring expenditures of approximately \$13,782,300, beginning in FY23-24.
- Medicaid expenditures receive matching funds at a rate of 65.485 percent federal funds to 34.515 percent state funds. For FY23-24 and subsequent years, \$4,756,961 (\$13,782,300 x 34.515%) will be in state funds and \$9,025,339 (\$13,782,300 x 65.485%) will be in federal funds.

IMPACT TO COMMERCE:

Increase Business Revenue – \$13,782,300/FY23-24 and Subsequent Years

**Increase Business Expenditures –
Less Than \$13,782,300/FY23-24 and Subsequent Years**

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Assumptions:

- Healthcare providers that provide pregnancy-related services will experience a recurring increase in business revenue for providing services in the amount of \$13,782,300.
- For companies to retain solvency, any increased expenditures will be less than the amount of increased revenues collected. Therefore, the recurring increase in business expenditures is estimated to be less than \$13,782,300.
- Any impact to jobs is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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